

# MEMORANDUM

---

**To:** SFSWMA Joint Powers Board  
**From:** Randall Kippenbrock, P.E., Executive Director  
**Date:** March 16, 2026  
**Subject:** Request for Approval of Audited Financial Statements and Supplementary Information for the Year Ended June 30, 2025

## BACKGROUND AND SUMMARY

Carr, Riggs & Ingram, LLC (CRI) audited the Santa Fe Solid Waste Management Agency (Agency) financial statements for the year ended June 30, 2025 (FY 25).

The Agency provided CRI with the Management's Discussion and Analysis and most of the information in the audit report's financial statements. The Agency's fiscal agent, the City of Santa Fe, provided additional financial information, such as payroll and cash.

An exit conference was held on December 4, 2025, to review the financial statements and supplemental information (audit report). In attendance were:

Carr, Riggs & Ingram (CRI)  
Eric Spurlin, CPA, Partner  
Angelica Trujillo, CPA, Manager  
Elizabeth Aguilar, In-Charge

Agency  
Councilor Lee Garcia, Chairperson  
Randall Kippenbrock, P.E., Executive Director  
Thomasina Chavez, Accountant

The State Auditor requires an independent public accountant to present the audit report to the Agency's Board as per Section 2.2.2.10.J(4) NMAC, Requirements for Contracting and Conducting Audits of Agencies.

In summary, CRI reported the following:

- Type of auditor's report issued – unmodified
  - No material weaknesses identified.
  - No significant deficiencies not considered material weaknesses identified.
  - No noncompliance material to the financial statements noted.
- Financial statement findings for the current year (FY 25) – None.
- No audit finding for the prior year (FY 24).

- Actual operating revenues exceeded the budget by \$687,775 due to Year 4 of Fee Ordinance 2021-1, effective October 1, 2021, and an increase in landfill tonnage by 3,565 tons over the previous year, a 1.99% rise.
- Total budgeted operating expenditures increased from \$9,847,844 to \$12,946,301 as a result of budget increases to the following two main categories:
  - Contractual services for environmental consulting, engineering services for the landfill gas collection system, processing costs for curbside recycling materials, and
  - Procurement of an 836 Caterpillar landfill compactor, a Caterpillar telehandler, and a Superior sweeper broom.
- The six largest commercial accounts in descending order are:
  - City of Santa Fe (41%)
  - Waste Management (7%)
  - Capital Scrap Metal (7%)
  - Santa Fe County (4%)
  - MCT Waste (4%)
  - Santa Fe Waste Service (3%)
  - All Others (34%)
- The closure and post-closure care cost information for the Landfill and BuRRT is as follows:
  - The closure and post-closure care fund balance is \$9,340,920.
  - The total cost estimate for the Landfill is \$11,074,899, an increase of \$267,892 from the prior year.
  - The total cost estimate for BuRRT is \$237,806, an increase of \$6,432 from the prior year.
  - The percentage of landfill airspace consumed in cubic yards is 40.03%, as opposed to 38.61% for the prior year.
  - The remaining landfill airspace is 13.1 million cubic yards.
- Items expected to have a significant effect during the fiscal year ending June 30, 2026 (FY 26), are as follows:
  - BuRRT lease negotiation with the City of Santa Fe
  - Completion of union negotiation
  - Fleet replacement procurement
  - Disposition of surplus assets
  - Cost of service and rate study

## **ACTION REQUESTED**

The Agency recommends the Board approve the audited financial statements and supplementary information for the year ended June 30, 2025.

Attachment: Financial Statements and Supplementary Information Financial Report for the Year Ended June 30, 2025

M:/Memo/Memo031626.3.docx

**ATTACHMENT**

**Financial Statements and  
Supplementary Information Financial Report**

**For the Year Ended June 30, 2025**



**State of New Mexico  
Santa Fe Solid Waste Management Agency**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2025

THIS PAGE INTENTIONALLY LEFT BLANK.



# INTRODUCTORY SECTION



THIS PAGE INTENTIONALLY LEFT BLANK.

**New Mexico Santa Fe Solid Waste Management Agency  
Table of Contents  
June 30, 2025**

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	5
Official Roster .....	6
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	8
Management’s Discussion and Analysis .....	12
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Position .....	24
Statement of Revenues, Expenses and Change in Net Position .....	27
Statement of Cash Flows .....	28
Notes to Financial Statements .....	30
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Public Employees Retirement Association (PERA) Plan	
Schedule of Employer’s Proportionate Share of the Net Pension Liability .....	58
Schedule of Employer Contributions .....	60
New Mexico Retiree Health Care Authority (NMRHCA) Plan	
Schedule of Employer’s Proportionate Share of the Net OPEB Liability .....	62
Schedule of Employer Contributions .....	64
Notes to Required Supplementary Information .....	67
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenses, and Change in Net Position	
Budget (GAAP Budgetary Basis) and Actual .....	71
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	
	74
Schedule of Findings and Responses .....	76
Other Disclosures .....	77

**State of New Mexico Santa Fe Solid Waste Management Agency  
Official Roster  
June 30, 2025**

**BOARD OF DIRECTORS CHAIR COUNCILOR**

Lee Garcia

**BOARD OF DIRECTORS VICE CHAIR COMMISSIONER**

Adam Fulton Johnson

**BOARD OF DIRECTORS COUNCILOR**

Amanda Chavez

Michael Garcia

**BOARD OF DIRECTORS COMMISSIONER**

Lisa Cacari Stone

Camilla Bustamante

Justin Greene

Hank Hughes

**EXECUTIVE DIRECTOR**

Randall Kippenbrock, PE

**ACCOUNTANT**

Thomasina Chavez



# FINANCIAL SECTION



## **INDEPENDENT AUDITOR'S REPORT**

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The Board of Directors of  
Santa Fe Solid Waste Management Agency  
Santa Fe, New Mexico

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Santa Fe Solid Waste Management Agency ("SWMA"), a component unit of the City of Santa Fe, New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise SWMA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWMA as of June 30, 2025, and the change in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SWMA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

##### ***Reporting Entity***

As discussed in Note 1, the financial statements of SWMA are intended to present the financial position, and the changes in financial position of only that portion of the business-type activities that are attributable to SWMA. They do not purport to, and do not present fairly the financial position of the City of Santa Fe, New Mexico, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SWMA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SWMA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about SWMA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the GASB required pension, and the other post-employment benefit schedules on pages 12-22 and 58-67 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SWMA's basic financial statements. The accompanying schedule of revenues, expenses, and change in net position budget (GAAP budgetary basis) and actual ("supplementary information") is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of SWMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SWMA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWMA's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, L.L.C  
Albuquerque, New Mexico  
December 15, 2025

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management’s Discussion and Analysis**

The Santa Fe Solid Waste Management Agency (“SWMA”) was established in February 1995 under a Joint Powers Agreement (the “Agreement”) entered into by and between the City of Santa Fe (the “City”) and Santa Fe County (the “County”). The Agreement delegated to SWMA the power to plan for, operate, construct, maintain, repair, replace, or expand a joint regional solid waste disposal facility, now known as the Caja del Rio Landfill. The City and County sought to establish a regional landfill, offering a more efficient and cost-effective method of solid waste disposal to City and County citizens. Operations of the landfill commenced on May 12, 1997. Prior to this date, SWMA was in a development state; therefore, development expenses incurred before May 12, 1997, were capitalized and amortized.

On January 1, 2006, SWMA leased the former City transfer station and renamed it Buckman Road Recycling and Transfer Station (BuRRT) to provide essential recycling processing services to the City, County, and communities across northern New Mexico. On October 1, 2016, SWMA and the City renewed the BuRRT lease for eight years, with options for two additional six-year terms. Currently, SWMA and the City are negotiating a new lease.

SWMA received 20-year solid waste permit renewals from the New Mexico Environment Department for the Caja del Rio Landfill and BuRRT on November 25, 2015, and June 12, 2017, respectively.

SWMA operates as a separate government agency, with the City of Santa Fe serving as a fiscal agent.

The financial statements of SWMA have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) applicable to governmental units. SWMA is responsible for the fair presentation of the financial statements of net position and the related statements of revenues, expenses, and changes in net positions, cash flows, and schedule of revenues, expenses, and changes in net position, budget, and actual (non-U.S. GAAP basis) in conformity with U.S. GAAP. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This Management Discussion and Analysis provides readers of SWMA’s financial statements a narrative overview and analysis of the financial activities of SWMA for the fiscal year ended June 30, 2025.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to SWMA’s basic financial statements. SWMA’s financial statements are comprised of financial statements, notes to the financial statements, and other information. The notes to the financial statements provide additional information essential to a complete understanding of the data provided in the financial statements.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

SWMA operates under the accrual basis of accounting, which is required for state and local governments' enterprise operations. SWMA operates as a single fund with three cost centers: operations, cell construction, and recycling. In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, SWMA will continue to track all new infrastructure (e.g., cell construction) and capital asset costs separately so they can be recorded and depreciated. GASB 34 modernized governmental financial reporting by introducing government-wide financial statements and requiring the capitalization and depreciation of infrastructure assets, thereby improving transparency and comparability across reporting entities.

SWMA will also continue to comply with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, by recognizing a liability for landfill closure and postclosure care based on the percentage of landfill capacity consumed during the reporting period. This method ensures that SWMA's financial statements accurately reflect the long-term environmental obligations associated with landfill operations, as required by state financial reporting standards.

SWMA also continues to comply with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires the recognition of its proportionate share of the net pension liability, along with related deferred inflows and outflows of resources and pension expense, in the financial statements. Similarly, SWMA adheres to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, by recognizing its share of the net OPEB liability and associated disclosures, thereby enhancing transparency and accountability in reporting postemployment benefits.

Additionally, SWMA has implemented GASB Statement No. 101, *Compensated Absences*, which establishes a unified model for recognizing and measuring liabilities associated with unused leave. Under this standard, SWMA recognizes a liability for leave that is attributable to services already rendered, accumulated, and is more likely than not to be used or paid out.

SWMA adopts an annual appropriated budget at the fund level. A budgetary comparison schedule has been provided for all its funds to demonstrate compliance with this budget. This budget is prepared on a comprehensive accounting basis other than the accrual basis required by U.S. GAAP.

**Proprietary Fund**

SWMA operates as a proprietary fund or enterprise fund for solid waste disposal and materials recovery (recycling), with all operating costs recovered by solid waste users (tipping) fees and income from the sale of recyclable materials. Enterprise funds are used for activities that are financed and operated in a manner similar to a private business enterprise.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Proprietary Fund (Continued)**

The intent of the Joint Powers Board is to ensure that the costs (expenses, including depreciation) of providing solid waste disposal and recycling services to City and County residents on a continuing basis are financed or recovered primarily through solid waste user fees and income from the sale of recyclable materials. Revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred.

Proprietary financial statements are designed to provide readers with a broad overview of SWMA's finances, similar to a private-sector business.

**Statement of Net Position**

The statement of net position presents information on all of SWMA's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SWMA's financial position is improving or deteriorating.

Property and equipment are depreciated using the straight-line method over their estimated useful lives, in accordance with standard accounting practices.

Capitalized landfill costs include expenditures related to land acquisition, permitting, landfill start-up activities, construction, and cell development.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**Statement of Net Position (Continued)**

The following table provides condensed financial information on SWMA's net position on June 30, 2025, as compared to June 30, 2024:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current assets	\$ 22,536,942	\$ 18,603,890
Capital assets, net	11,310,346	11,884,801
Other assets	4,735,052	4,480,744
<b>Total assets</b>	<b>38,582,340</b>	<b>34,969,435</b>
<b>Deferred outflows of resources</b>		
Deferred outflows related to pension	1,037,039	877,843
Deferred outflows related OPEB	790,749	1,089,003
<b>Total deferred outflows of resources</b>	<b>1,827,788</b>	<b>1,966,846</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 40,410,128</b>	<b>\$ 36,936,281</b>
<b>Liabilities</b>		
Current liabilities	\$ 820,657	\$ 818,826
Noncurrent liabilities	9,931,206	9,182,917
<b>Total liabilities</b>	<b>10,751,863</b>	<b>10,001,743</b>
<b>Deferred inflows of resources</b>		
Deferred inflows related to pension	148,854	292,671
Deferred inflows related to OPEB	553,689	777,116
<b>Total deferred inflows of resources</b>	<b>702,543</b>	<b>1,069,787</b>
<b>Net Position</b>		
Net investment in capital assets	11,310,346	11,884,801
Unrestricted	17,645,376	13,979,950
<b>Total net position</b>	<b>28,955,722</b>	<b>25,864,751</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 40,410,128</b>	<b>\$ 36,936,281</b>

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**Statement of Net Position (Continued)**

As of June 30, 2025, the most recent fiscal year end, SWMA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$28,955,722, representing its net position. Of this total, \$11,310,346 was categorized as net investment in capital assets, while \$17,645,376 was reported as unrestricted. By comparison, as of June 30, 2024, SWMA's net position totaled \$25,864,751, with \$11,884,801 classified as net investment in capital assets and \$13,979,950 as unrestricted.

**BUDGETS**

Total budgeted operating expenditures for FY25 increased from the original allocation of \$9,847,844 to \$12,946,301, reflecting a total increase of \$3,098,457. This adjustment was made across two main categories: contractual services and capital outlay budgets.

Contractual services budget increased by \$1,085,790, primarily driven by an expanded scope in environmental consulting and engineering services for the landfill gas collection system, as well as an increase in third-party processing costs for curbside recycling materials collected.

The capital outlay budget was increased by \$1,851,775. SWMA acquired a new Caterpillar 836 compactor valued at \$1,560,000, replaced the HVAC system for the landfill administrative building, and purchased a Cimarron 200-gallon sprayer. Additionally, toward the end of FY25, the budget was increased for the purchase of a Caterpillar telehandler and a Superior sweeper broom; however, these capital assets will not be received or paid for until FY26.

Total revenues exceeded expectations by \$687,775 for FY25. The majority of the increase was in user fees, reflecting continued growth in the core operational area. The key contributor to this increase was the implementation of Year 4 of Fee Ordinance 2021-1, which became effective on October 1, 2021. Additionally, core landfill tipping fees increased by 8.8%, supporting stronger revenue performance. Landfill tonnage also rose by 3,565 tons compared to the prior year, representing a 1.99% increase in volume. These gains underscore the impact of strategic pricing measures and sustained demand for services across the SWMA's primary revenue-generating activities.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

SWMA's cumulative investment in capital assets as of June 30, 2025, is \$11,310,346 (net of accumulated depreciation and amortization). The investment in capital assets includes construction in progress, landfill, landfill development costs, land improvements, cells, buildings and systems, equipment and machinery, vehicles, data processing equipment, and software. Also included is the investment in intangible assets for the cost of obtaining 20-year operating permits for the Caja Del Rio Landfill and the Buckman Recycling and Transfer Station (BuRRT).

During FY25, SWMA's net capital assets decreased by \$574,455 compared to the prior fiscal year. Although SWMA purchased additional capital assets in the amount of \$1,604,558, the amount was offset by the impact of annual depreciation and amortization expenses in the amount of \$2,166,922. SWMA's equipment and machinery increased overall by \$1,687,670. This increase was a combination of \$1,598,602 worth of new purchases, a reclass of an asset from construction progress in the amount of \$105,718 and the disposal of an asset in the amount of \$16,650. Lastly, data processing equipment and software increased by \$5,956.

Key capital asset activities during the fiscal year included the following:

- **Heavy Equipment Acquisition:** SWMA procured a 2025 Caterpillar (CAT) 836 compactor for \$1,560,000. This equipment is vital for waste compaction at the landfill face, improving efficiency and extending the usable life of landfill cells.
- **Infrastructure Enhancements at BuRRT:** Construction in progress was recorded in FY24 for the installation of a low-profile tri-axle truck scale inside the transfer station at BuRRT in the amount of \$105,718. The project, supplemented by an additional \$18,040 in costs was completed during fiscal year 2025.
- **Facility Improvements:** A new HVAC system was installed at the Caja Del Rio administrative building, with a total investment of \$12,381. This upgrade supports improved energy efficiency and occupant comfort.
- **Operational Equipment:** SWMA also acquired a Cimarron 200-gallon sprayer for \$8,181 to support grounds maintenance activities.
- **Data Processing:** A Sharp black-and-white copier was purchased for \$5,956 to enhance document management and support administrative operations.

These investments reflect SWMA's strategic approach to asset management, ensuring that operational needs are met while maintaining fiscal responsibility. SWMA continues to assess its capital asset base to align with long-term service goals, regulatory requirements, and environmental stewardship.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY (Continued)**

The accompanying chart provides a comparative summary of SWMA's capital and intangible assets as of June 30, 2025 and 2024. At both reporting dates, SWMA maintained a debt-free position, with no outstanding obligations related to capital assets or any other liabilities.

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Capital assets</b>		
Construction in process	\$ 871,504	\$ 977,222
Landfill	3,014,075	3,014,075
Landfill development costs	6,281,341	6,281,341
Landfill improvements	1,744,645	1,744,645
Cells	22,030,279	22,030,279
Buildings and structures	4,103,761	4,103,761
Equipment and machinery	19,921,236	18,233,566
Vehicles	3,308,443	3,308,443
Data processing equipment and software	132,542	126,586
<b>Total capital assets</b>	<b>61,407,826</b>	<b>59,819,918</b>
<b>Intangible assets</b>		
Solid waste and BuRRT permits	932,716	932,716
<b>Total intangible assets</b>	<b>932,716</b>	<b>932,716</b>
Accumulated depreciation	(50,591,981)	(48,476,254)
Accumulated amortization	(438,215)	(391,579)
<b>Total capital assets (net)</b>	<b>\$ 11,310,346</b>	<b>\$ 11,884,801</b>

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management’s Discussion and Analysis**

**CASH AND INVESTMENTS**

As of June 30, 2025, SWMA held cash and investments categorized as undesignated, internally designated, and restricted. These funds were allocated to support the following strategic and operational purposes:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
<b>Undesignated cash and investments</b>		
Unrestricted cash	\$ 9,290,286	\$ 8,752,481
Petty cash	5,230	5,230
<b>Total undesignated cash and investments</b>	<b>9,295,516</b>	<b>8,757,711</b>
<b>Internally designated cash and investments</b>		
Emergency cash reserves	848,835	816,354
Equipment replacement	890,603	1,116,524
Closure and post-closure	4,670,315	4,371,542
Cell development	771,229	441,718
Gas collection system	1,039,906	675,113
Construction	4,180,479	620,511
<b>Total internally designated cash and investment</b>	<b>12,401,367</b>	<b>8,041,762</b>
<b>Restricted cash and investments</b>		
Landfill deposits	64,447	76,748
Closure and post-closure	4,670,605	4,403,996
<b>Total restricted cash and investments</b>	<b>4,735,052</b>	<b>4,480,744</b>
<b>Total cash and investments</b>	<b>\$ 26,431,935</b>	<b>\$ 21,280,217</b>

As of June 30, 2025, SWMA maintained a total of \$9,340,920 in cash reserves designated for the closure and post-closure care of both the landfill and the BuRRT transfer station. Of this total, \$4,670,605—comprising \$4,432,799 for the landfill and \$237,806 for BuRRT—is classified as restricted cash in accordance with the provisions of GASB Statement No. 18. Additional detail is provided in the accompanying schedule.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management’s Discussion and Analysis**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The following table provides a condensed overview of SWMA’s financial performance for the fiscal year ended June 30, 2025, along with comparative data from the prior year. This section highlights key revenue trends and offers context for the changes in net position.

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Operating revenues	\$ 13,215,546	\$ 12,147,334
Operating expenses	(11,157,147)	(10,810,619)
Operating income	2,058,399	1,336,715
Nonoperating revenues (expenses)	1,032,572	833,444
Grant revenue	-	946,427
Change in net position	3,090,971	3,116,586
Net position - Beginning of year	25,864,751	22,748,165
Net position - end of year	\$ 28,955,722	\$ 25,864,751

SWMA’s operating revenues are primarily generated through tipping fees charged to solid waste users at the Landfill and BuRRT transfer station, along with proceeds from the sale of recyclable materials. Royalty payments from the sale of basalt aggregates, revenue from glass sales, and reimbursements for effluent water usage supplement these core sources of revenue.

For the year ended June 30, 2025, total operating revenues increased by \$1,068,212 compared to the prior fiscal year. This growth results from strategic rate adjustments and consistent service demand across SWMA’s operational areas. Tipping fee revenues rose by \$1,052,838 year-over-year, driven mainly by the implementation of revised fee schedules. Within this category, fees collected from the City increased by \$296,283, while the County contributions grew by \$59,370. These increases reflect both rate changes and stable waste volumes.

The combination of other revenues for fiscal year 2025 experienced a modest increase of \$15,374 compared to fiscal year 2024. This increase was primarily due to a \$15,946 increase in recycling revenue. Increased volume and fluctuations in market pricing drove this. In addition, revenue from other sales increased by \$2,739, due to royalty payments received from Del Hur Industries for the extraction and sale of basalt aggregates. Del Hur reported payments for 28,123 tons of basalt aggregates in FY25, slightly higher than prior year’s volume of 26,298 tons. Lastly, the increases in the previously discussed revenues were impacted by a decrease in other income in the amount of \$3,311.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management’s Discussion and Analysis**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**

The six largest commercial accounts in order are:

	<b>Revenue Received</b>	<b>Percent</b>
City of Santa Fe	\$ 5,413,680	41%
Waste Management	875,387	7%
Capital Scrap Metal	862,314	7%
Santa Fe County	582,792	4%
MCT Waste, LLC	529,197	4%
Santa Fe Waste Service	421,707	3%
Other	4,530,469	34%
<b>Total</b>	<b>\$ 13,215,546</b>	<b>100%</b>

Revenues received include sales of recyclables and other incomes.

Total operating expenses rose by \$346,528 compared to FY24. This net change results from a combination of increases and decreases across key expense categories. The largest increases were in personnel costs (\$489,952), contractual services (\$181,549), and gross receipts tax (\$49,750). These were partly offset by notable decreases in repair and maintenance (\$347,910) and supplies (\$61,412).

Personnel expenses increased despite several unfilled positions, primarily due to cost-of-living adjustments (COLA), merit-based salary increases, and the recognition of Other Post-Employment Benefits (OPEB) expenses.

The increase in the contractual services category was due to expanded scope in environmental consulting and engineering services for the landfill gas collection system and to an increase in net processing fees, reflecting a shift toward lower rebate returns and higher processing costs of materials collected.

The increase in gross receipts tax was due to the increase in user fees, both of which resulted from the rate increase during the fiscal year.

Conversely, repair and maintenance costs decreased considerably due to the absence of major repairs to heavy equipment. Supply costs also decreased due to lower fuel consumption and favorable fuel rates, although an increase in the use of compressed natural gas partially offset this.

In fiscal year 2025, SWMA’s overall non-operating revenue (expenses) increased by \$199,128. This increase was primarily due to an increase in investment income of \$211,219.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Management's Discussion and Analysis**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**

Investment income benefited from improved market conditions and favorable allocations by the City of Santa Fe, which manages investments tied to available cash balances for both the City and its component units.

**ANTICIPATED KEY DEVELOPMENTS AFFECTING FISCAL YEAR 2026**

The Santa Fe Solid Waste Management Agency (SWMA) has identified several initiatives and operational activities planned for Fiscal Year 2026 that are expected to have a significant impact on SWAMA's financial and strategic outlook for Fiscal Year 2026:

- **BuRRT Lease Renegotiation**  
SWAMA anticipates entering into negotiations with the City of Santa Fe to establish a new lease agreement for the BuRRT facility. The outcome of these discussions may influence future rent payments, capital planning and operational responsibilities.
- **Completion of Union Negotiations**  
SWAMA expects to finalize collective bargaining negotiations with its unionized workforce. The resulting agreement will inform personnel cost projections and labor-related provisions for the upcoming fiscal year.
- **Fleet Replacement Procurement**  
As part of its capital asset plan, SWAMA intends to procure four replacement pickup trucks to support field operations and maintain service reliability.
- **Disposition of Surplus Assets**  
SWAMA plans to conduct an online public auction for the sale of surplus vehicles, heavy equipment, and miscellaneous items in varying conditions. Proceeds will be directed toward operational or capital reinvestment.
- **Cost of Service and Rate Study**  
SWAMA expects to conduct a cost-of-service and rate design study to recommend rates (fees) for the solid waste and recycling services provided by SWAMA.

**REQUEST FOR INFORMATION**

This financial report is intended to provide a general overview of the Santa Fe Solid Waste Management Agency's financial position and activities for stakeholders interested in government enterprise operations. Questions regarding the information presented in this report, or requests for additional financial data, should be directed to:

**Santa Fe Solid Waste Management Agency**  
149 Wildlife Way  
Santa Fe, New Mexico 87506



## **BASIC FINANCIAL STATEMENTS**



**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Statement of Net Position**

<i>June 30, 2025</i>	<b>Business-Type Activity</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 21,696,883
Accounts receivable	823,131
Interest receivable	16,928
<hr/>	
Total current assets	22,536,942
<hr/>	
Noncurrent assets	
Restricted cash and cash equivalents	
Landfill transfer station closure and postclosure care costs	4,670,605
Landfill deposits	64,447
Capital assets, not being depreciated	871,504
Capital assets, being depreciated, net	9,944,341
Intangible assets, being amortized, net	494,501
<hr/>	
Total noncurrent assets	16,045,398
<hr/>	
Total assets	38,582,340
<hr/>	
<b>Deferred outflows of resources</b>	
Deferred outflows - pension	1,037,039
Deferred outflows - OPEB	790,749
<hr/>	
Total deferred outflows of resources	1,827,788
<hr/>	
Total assets and deferred outflows of resources	\$ 40,410,128
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements.*

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Statement of Net Position (Continued)**

<i>June 30, 2025</i>	<b>Business-Type Activity</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 333,653
Gross receipts and state tax payable	61,698
Accrued payroll	115,417
Compensated absences - current	309,889
Total current liabilities	820,657
Noncurrent liabilities	
Landfill deposits	64,447
Compensated absences - noncurrent	317,687
Net pension liability	4,274,082
Net OPEB liability	604,385
Estimated liability for landfill transfer station closure and post-closure care costs	4,670,605
Total noncurrent liabilities	9,931,206
Total liabilities	10,751,863
<b>Deferred inflows of resources</b>	
Deferred inflows - pension	148,854
Deferred inflows - OPEB	553,689
Total deferred inflows of resources	702,543
<b>Net position</b>	
Net investment in capital assets	11,310,346
Unrestricted	17,645,376
Total net position	28,955,722
Total liabilities, deferred inflows of resources, and net position	\$ 40,410,128

*The accompanying notes are an integral part of these financial statements.*

THIS PAGE INTENTIONALLY LEFT BLANK.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Statement of Revenues, Expenses and Change in Net Position**

<i>For the Year Ended June 30, 2025</i>	<b>Business-Type Activity</b>
Operating revenues	
User fees	\$ 13,013,990
Recycle sales	122,955
Other sales	42,191
Other income	36,410
Total operating revenues	13,215,546
Operating expenses	
Personnel services	4,226,384
Contractual services	2,058,006
Supplies	541,281
Repairs and maintenance	510,346
Rental expenses	266,971
Utilities	112,781
Insurance	222,974
Office expenses	120,543
Travel and training	11,217
Gross receipts taxes	619,718
Reimbursable share of sales	20,409
Capital outlay - exempt	12,986
Additions to landfill liability	266,609
Depreciation and amortization expense	2,166,922
Total operating expenses	11,157,147
Operating income	2,058,399
Non-operating revenues (expenses)	
Investment income	1,035,324
Loss on disposition of capital assets	(12,091)
Unrealized gains	9,339
Total non-operating revenues (expenses)	1,032,572
Change in net position	3,090,971
Net position - beginning of year	25,864,751
Net position - end of year	\$ 28,955,722

*The accompanying notes are an integral part of these financial statements.*

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Statement of Cash Flows**

<i><b>For the Year Ended June 30, 2025</b></i>	<b>Business-Type Activity</b>
<hr/>	
Cash flows from operating activities	
Cash received from customers	\$ 13,218,942
Cash paid to suppliers for goods and services	(4,685,770)
Cash paid to employees for services	(3,770,220)
<hr/>	
Net cash provided by operating activities	4,762,952
<hr/>	
Cash flows from capital and financing activities	
Acquisition and construction of capital assets	(1,604,558)
Proceeds from capital grants	946,427
<hr/>	
Net cash (used in) capital and financing activities	(658,131)
<hr/>	
Cash flows from investing activities	
Investment income	1,046,894
<hr/>	
Net cash provided by investing activities	1,046,894
<hr/>	
Net increase in cash and cash equivalents	5,151,718
<hr/>	
Cash and cash equivalents - beginning of year	21,280,217
<hr/>	
Cash and cash equivalents - end of year	\$ 26,431,935
<hr/>	
Reported on the statement of net position as	
Cash and cash equivalents	\$ 21,696,883
Restricted cash and cash equivalents	
Landfill transfer station closure and postclosure care costs	4,670,605
Landfill deposits	64,447
<hr/>	
Total cash and cash equivalents	\$ 26,431,935
<hr/>	

*The accompanying notes are an integral part of these financial statements.*

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Statement of Cash Flows (Continued)**

<i>For the Year Ended June 30, 2025</i>	<b>Business-Type Activity</b>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 2,058,399
Depreciation and amortization expense	2,166,922
Noncash pension	253,408
Noncash OPEB	109,260
Changes in assets and liabilities:	
Decrease in accounts receivable	15,697
Decrease in accounts payable	(204,980)
Increase in gross receipts tax payable	5,225
Increase in accrued payroll	29,883
Decrease in landfill deposits	(12,301)
Increase in compensated absences	74,830
Increase in estimated liability for landfill transfer station and post-closure care costs	266,609
Net cash provided by operating activities	\$ 4,762,952

*The accompanying notes are an integral part of these financial statements.*

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Reporting Entity***

The City of Santa Fe (the “City”) is a partner with Santa Fe County (the “County”) in a joint venture to provide municipal landfill services. The Santa Fe Solid Waste Management Agency (“SWMA”) was established in February 1995 under a joint powers agreement entered into by and between the City and the County. It was the desire of the parties to form a regional solid waste disposal authority to provide a more efficient and cost-effective method of solid waste disposal to City and County citizens. Operations of the regional landfill commenced on May 12, 1997. Prior to this date, SWMA was in a development stage and, therefore, landfill development expenses incurred before May 12, 1997, are capitalized and amortized. As required by U.S. generally accepted accounting principles (U.S. GAAP), the financial statements present SWMA and its component units, entities for which SWMA is considered to be financially accountable. There are no fiduciary funds or component units for the fiscal year ended June 30, 2025.

SWMA is governed by a joint powers board consisting of members from both the City and County. The board consists of the following:

Three members, each of whom shall be a City councilor from a different elective district within the City, shall be appointed by the City’s mayor with the approval of the City council, and each of which City members shall serve for such period as may be determined from time to time by the mayor with the approval of the City and Council.

Three members, each of whom shall be a County Commissioner, appointed and approved by the Board of County Commissioners, and each of which County members shall serve for such period as may be determined and approved from time to time by the Board of County Commissioners.

SWMA is responsible for the fair presentation in the financial statements of the statement of net position and the related statements of revenues, expenses, and changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant accounting policies of SWMA are described below.

***Budgetary information***

The budgetary comparison schedule listed in the table of contents as supplementary information were prepared on a modified accrual basis of accounting as approved by SWMA’s board, which is another comprehensive basis of accounting other than U.S. GAAP. This basis is very similar to the accrual basis; depreciation and amortization expense has not been budgeted for, and neither has the increase in landfill liability.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Measurement Focus, Basis of Accounting, and Basis of Presentation***

The accounts of SWMA are organized on the basis of a proprietary or enterprise fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise funds are accounted for on the flow of economic resources, measurement focus, and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position***

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, SWMA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Certain resources held for estimated future costs related to landfill transfer station closure and post-closure costs are classified as restricted assets in the statement of net position as further detailed in Note 11.

Cash and investments, including restricted cash and investments, are pooled into one common account maintained by the City, SWMA's fiscal agent, in order to maximize investment opportunities. A portion of these monies are in the form of short-term investments with original maturities of three months or less from the date of acquisition, which are considered to be cash equivalents.

***Receivables and Payables***

All trade and other receivables are shown net of allowances for uncollectable amounts, when applicable. Receivables are analyzed for their collectability based on the terms of and conditions of agreements, as well as current economic conditions and consideration of the creditors' ability to pay. In addition to those receivables specifically identified as uncollectable, a general allowance is established for receivables older than one year. As of June 30, 2025, no allowance for doubtful accounts was deemed necessary.

***Capital Assets***

Capital assets are recorded at cost. Property, plant, and equipment donated to the operations are recorded at their estimated acquisition value at the date of donation. SWMA's policy is to capitalize all assets with a cost of \$5,000 or greater per 12-6-10 NMSA 1978. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Landfill	100 years
Land development costs	20 years
Land improvements	10 years
Cells	2-5 years
Buildings and structures	30 years
Equipment and machinery	4-10 years
Vehicles	7-10 years
Data processing and software	3 years

Both the Solid Waste and BuRRT permits are considered intangible assets and are being amortized over a period of 20 years each.

Capitalized landfill costs include expenditures for land, permitting costs, and preparation costs. Landfill development costs include planning, site preparation, land improvements, and infrastructure expenditures for the current 20-year plan. The landfill consist of the costs of the entire land area to be utilized for all future solid waste disposals. Landfill development costs include planning, site preparation, land improvements, and infrastructure expenditures for the current 20-year plan.

Preparation costs related specifically to cell development are amortized as the airspace of the related cell is consumed, generally over 2 - 5 years.

***Restricted Assets***

Certain assets of SWMA are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Landfill deposits – Deposited in non-interest-bearing accounts and refunded upon termination of service with SWMA and satisfaction of all obligations due. Landfill transfer station closure and post closure – certain deposits are restricted for costs related to future landfill closure and post closure costs as described in Note 11.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

*Deferred Outflows of Resources*

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This is a separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. SWMA has two items that qualify for reporting in this category which arise due to accounting for net pension liability and OPEB liability. Accordingly, the items deferred outflows – pension and deferred outflows – OPEB are presented in the statement of net position. Refer to Notes 6 and 7 for more details regarding the future recognition of these amounts and SWMA’s pension and OPEB plans.

*Deferred Inflows of Resources*

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This is a separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. SWMA has two types of items considered to be deferred inflows of resources, each of which arise due to accounting for net pension liability and OPEB liability. Refer to Notes 6 and 7 for more details regarding the future recognition of these amounts and SWMA’s pension and OPEB plans.

*Accrued Payroll*

Accrued payroll consists primarily of accrued wages and benefits payable.

*Gross Receipts and State Tax Payable*

The financial statements include a balance of \$55,945 for gross receipts tax payable and a balance of \$5,753 for state taxes payable, respectively. These amounts represent amounts received from customers for New Mexico Gross Receipts and State Taxes that have not been remitted to the New Mexico Taxation and Revenue Department. During 2025, SWMA collected \$619,718 from customers for New Mexico Gross Receipts Taxes.

*Compensated Absences*

SWMA recognizes a liability for compensated absences by using the First-In, First-Out (FIFO) method for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. SWMA uses a First-In, First-Out (FIFO) method to determine the usage and valuation of vacation and sick leave. Under this method, the oldest hours accrued are assumed to be used first. No restatement to net position was required as part of the GASB 101 compensated absences, change in accounting principle. The liability for compensated absences is reported as incurred in the business-type activities. The liability for compensated absences includes salary-related benefits, where applicable.

***Vacation***

SWMA's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

***Sick Leave***

SWMA's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of SWMA and, upon separation from service, no monetary obligation exists. Sick leave may be sold back to SWMA by an employee at time of retirement for one-half the applicable hourly rate for that employee. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

***Long-term Obligations***

The financial statements include an estimate of total current costs of landfill closure and post-closure care that are required to be incurred by federal, state, local laws, or regulations. A portion of the estimated total current cost of the landfill closure and post-closure care is recognized as an expense and liability in the period the landfill accepts waste. Estimated total current cost is recorded based on landfill usage (i.e. cubic yards, airspace) rather than on the passage of time.

***Tipping Fees***

SWMA has established a tipping fee schedule based on solid waste tonnage. Effective July 1, 2024 through June 30, 2025, the fee for solid waste ranges from \$52.50 - \$62.50 per ton at the Caja Del Rio Landfill and the Buckman Road Recycling and Transfer Station. The recycling fee is \$180 per ton. For green waste, the fee is \$52.50 per ton. The household hazardous waste fee is \$50 per ton.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

Fees for immediate burial or special handling range from \$92.50 to \$250 depending on the type of load.

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the New Mexico Public Employees retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Postemployment Benefits Other Than Pensions (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to/deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Net Position*

The government-wide fund financial statements utilize a net position presentation. Net position is categorized a net investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets.* Reflects the portion of net position which is associated with capital assets less outstanding capital asset related debt. SWMA did not have debt related to capital assets during the year ended June 30, 2025.

*Restricted Net Position.* Net Position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, or donors, or (2) imposed by law through constitutional provisions or enabling legislation. SWMA reported no restricted net position as of June 30, 2025.

*Unrestricted Net Position.* Represents the excess of total assets and deferred outflows over total liabilities and deferred inflows and net position invested in capital assets at June 30, 2025. These are amounts not restricted for any purpose.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)***

***Policy on Use of Restricted and Unrestricted Resources***

When both restricted and unrestricted resources are available for use, it is SWMA's policy to use unrestricted resources first then restricted resources as they are needed.

***Revenues and Expenses***

Operating revenue includes activities that have the characteristics of an exchange transaction, such as a) sales and services; and b) operating contracts and grants.

Revenues and expenses distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWMA's principal ongoing operations. The principal operating revenues of SWMA are charges to customers for user fees and sales. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions reported as nonoperating revenues and expenses.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in these financial statements include the provision for accumulated depreciation and amortization, the net pension liability and the other post-employment benefit liability, the current portion of compensated absences, and the estimated landfill liability for closure and post-closure costs.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2025, and determined there were no events that occurred that required disclosure.

***Recently Issued and Implemented Accounting Procurements***

During the fiscal year ended June 30, 2025, SWMA adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of GASB Statement No. 101 did not have a significant impact on SWMA's financial statements. GASB Statement No. 102, *Certain Risk Disclosures* did not have a significant impact on SWMA's financial statements.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Procurements (Continued)***

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

SWMA is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DEPOSITS AND INVESTMENTS**

SWMA does not have separate bank accounts. Cash and cash equivalents consist of \$26,431,935 which is held in bank accounts and short-term investments in the City's cash pool. The City invests its pooled cash into U.S. Government securities, repurchase agreements, municipal bonds, certificates of deposit, State Treasurer's investment pool, and U.S. Government security mutual funds. Please refer to the audited financial statements for the City of Santa Fe, New Mexico for the disclosure information regarding the custodial credit risk and other risks that may apply. That report may be obtained from the City by contacting the Finance Department Director at 200 Lincoln Avenue, P.O. Box 909, Santa Fe, New Mexico 87504-0909.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 2: DEPOSITS AND INVESTMENTS (Continued)**

Cash and cash equivalents consisted of the following as of June 30, 2025.

<b>Unrestricted cash and cash equivalents</b>	
Unrestricted cash	\$ 9,290,286
Petty cash	5,230
<hr/>	
Total undesignated cash and cash equivalents	9,295,516
<hr/>	
<b>Internally designated cash and cash equivalents</b>	
Emergency cash reserves	848,835
Equipment replacement	890,603
Closure and postclosure	4,670,315
Cell development	771,229
Gas collection system	1,039,906
Construction	4,180,479
<hr/>	
Total internally designated cash and cash equivalents	12,401,367
<hr/>	
Total unrestricted cash and cash equivalents	21,696,883
<hr/>	
<b>Restricted cash and cash equivalents</b>	
Landfill transfer station closure and postclosure care costs	4,670,605
Landfill deposits	64,447
<hr/>	
Total restricted cash and cash equivalents	4,735,052
<hr/>	
Total cash and cash equivalents	\$ 26,431,935
<hr/> <hr/>	

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 3: ACCOUNTS RECEIVABLE**

Accounts receivable of \$823,131 represents billings for tipping fees to third-party users, sales of rock, sales of recyclables, and intergovernmental receivables through June 30, 2025. Management considers all outstanding accounts receivable to be collectable. The following shows the balances due from the five largest customers and all other customers in total as of June 30, 2025.

City of Santa Fe	\$ 427,970
Waste Management	74,336
Santa Fe Waste Services	36,802
Santa Fe County	104,010
MCT Waste, LLC	47,581
Others	132,432
Accounts receivable	\$ 823,131

**Note 4: CAPITAL ASSETS**

A summary of changes in capital assets for fiscal year ending June 30, 2025 is as follows. Construction in progress is not subject to depreciation expense.

Depreciation expense for capital assets for the fiscal year ended June 30, 2025 was \$2,120,286. In addition, SWMA had \$46,636 in amortization expense for solid waste and BuRRRT permits as of June 30, 2025. Total depreciation and amortization for fiscal year 2025 was \$2,166,922.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 4: CAPITAL ASSETS (Continued)**

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Capital assets not being depreciated</b>					
Construction in process	\$ 977,222	\$ -	\$ -	\$ (105,718)	\$ 871,504
Total capital assets not being depreciated	977,222	-	-	(105,718)	871,504
<b>Capital assets being depreciated</b>					
Landfill	3,014,075	-	-	-	3,014,075
Landfill development cost	6,281,341	-	-	-	6,281,341
Land improvements	1,744,645	-	-	-	1,744,645
Cells	22,030,279	-	-	-	22,030,279
Buildings and structures	4,103,761	-	-	-	4,103,761
Equipment and machinery	18,233,566	1,598,602	(16,650)	105,718	19,921,236
Vehicles	3,308,443	-	-	-	3,308,443
Data processing equipment and software	126,586	5,956	-	-	132,542
Total capital assets being depreciated	58,842,696	1,604,558	(16,650)	105,718	60,536,322
<b>Accumulated depreciation</b>					
Landfill	(783,660)	(30,139)	-	-	(813,799)
Landfill development cost	(6,281,341)	-	-	-	(6,281,341)
Land improvements	(952,538)	(136,004)	-	-	(1,088,542)
Cells	(21,444,463)	(584,945)	-	-	(22,029,408)
Buildings and structures	(1,941,293)	(143,519)	-	-	(2,084,812)
Equipment and machinery	(15,215,944)	(950,624)	4,559	-	(16,162,009)
Vehicles	(1,779,154)	(257,397)	-	-	(2,036,551)
Data processing equipment and software	(77,861)	(17,658)	-	-	(95,519)
Total accumulated depreciation	(48,476,254)	(2,120,286)	4,559	-	(50,591,981)
Total capital assets being depreciated	10,366,442	(515,728)	(12,091)	105,718	9,944,341
Total capital assets, net	\$ 11,343,664	\$ (515,728)	\$ (12,091)	\$ -	\$ 10,815,845
<b>Intangible assets</b>					
Solid waste and BuRRT permits	\$ 932,716	\$ -	\$ -	\$ -	\$ 932,716
Total intangible assets	932,716	-	-	-	932,716
<b>Accumulated amortization</b>					
Solid waste and BuRRT permits	(391,579)	(46,636)	-	-	(438,215)
Total accumulated amortization	(391,579)	(46,636)	-	-	(438,215)
Total intangible assets, net	\$ 541,137	\$ (46,636)	\$ -	\$ -	\$ 494,501

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 5: LONG-TERM LIABILITIES**

During the year ended June 30, 2025, the following changes occurred in the liabilities reported in the statement of net position:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Landfill deposits	\$ 76,748	\$ -	\$ 12,301	\$ 64,447
Estimated liability for landfill closure costs	4,172,622	260,177	-	4,432,799
Estimated liability for transfer station closure costs	231,374	6,432	-	237,806
Compensated absences	552,746	74,830	-	627,576
<b>Total</b>	<b>\$ 5,033,490</b>	<b>\$ 341,439</b>	<b>\$ 12,301</b>	<b>\$ 5,362,628</b>

See Note 10 for details on the increase of the estimated liability for landfill closure costs. The current portion of compensated absences was \$309,889 as of June 30, 2025. Additions and deletions to compensated absences are presented net in the additions column above.

**Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

***General Information about the Pension Plan***

*Plan Description*

*Public Employees Retirement Fund* is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at <https://www.nmpera.org/financial-overview/>.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

***Benefits provided.*** Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for postretirement survivors' annuities are also available.

***TIER II.*** The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II, pension factors were reduced by 0.5%, employee Contribution increased 1.5 percent, and effective July 1, 2014 employer contributions were raised 0.05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

***Contributions.*** See PERA's Annual Comprehensive Financial Report for contribution descriptions at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>. The PERA coverage option that applies to SWMA is: Municipal General Division. Statutorily required contributions to the pension plan from the SWMA were \$267,039 for the year ended June 30, 2025.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2025, the SWMA reported a liability of \$4,274,082 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2024 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2024. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2024. SWMA’s proportion of the net pension liability was based on a projection of the SWMA’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, SWMA’s proportion was 0.179110%, which was an increase of 0.00354% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, SWMA recognized PERA Fund Municipal General Division pension expense of \$515,737. At June 30, 2025, SWMA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 177,603	\$ -
Difference between expected and actual experience	405,908	15,939
Changes in proportion	49,064	132,915
Changes in assumptions	137,425	-
SWMA's contributions subsequent to the measurement date	267,039	-
<b>Total</b>	<b>\$ 1,037,039</b>	<b>\$ 148,854</b>

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$267,039 reported as deferred outflows of resources related to pensions resulting in SWMA’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in SWMA’s fiscal year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u><b>Year ended June 30</b></u>	
2025	\$ 109,247
2026	447,348
2027	83,557
2028	(19,006)
Thereafter	-
Total	\$ 621,146

***Actuarial Assumptions***

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Period	25 Years
Actuarial Assumptions:	
Investment Rate of Return	7.25% Annual Rate
Projected Salary Increases	3.25 to 13.50%
Includes Inflation at	2.50%
Mortality Assumptions	Pre-retirement mortality: PUB-2010 General Employees Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. For non-public safety group, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups. Post-retirement mortality (non-disabled): PUB-2010 General Mortality table, Below Median Income, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.



**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***Actuarial Assumptions (Continued)***

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

***Sensitivity of SWMA’s proportionate share of the net pension liability to changes in the discount rate.*** The following table presents the SWMA’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the SWMA’s proportionate share of the net pension liability would be if it were calculated at discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point- higher (8.25 percent) than the current rate.

<b>PERA Fund Municipal General Division Fund</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
SWMA's proportionate share of the net pension liability	\$ 6,147,698	\$ 4,274,082	\$ 2,725,213

***Pension plan fiduciary net position.*** Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports. The report is available at <http://www.nmpera.org/for-employers/gasb-information>.

***Payables to the pension plan.*** At June 30, 2025, there were no contributions due and payable to PERA for SWMA. Contractually required contributions are remitted to PERA monthly.

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

***General Information about the OPEB***

**Plan Description.** Employees of SWMA are provided with OPEB through the Retiree Health Care Fund (the Fund) – a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**General Information about the OPEB (Continued)**

**Benefits Provided.** The Fund is a multiple employer cost sharing healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents, and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Employees covered by benefit terms.** At June 30, 2024, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	52,978
Inactive and eligible for deferred benefit	12,552
Current active members	93,595
	159,125
<b>Active Membership</b>	
State general	18,462
State police and corrections	1,260
Municipal general	17,283
Municipal police	3,169
Municipal FTRE	2,419
Educational Retirement Board	51,002
	93,595

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. SWMA’s contribution to the RHCA for the year ended June 30, 2025 was \$48,410, which equals the required contribution for the year.

At June 30, 2025, SWMA reported a liability of \$604,385 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. SWMA’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2024. SWMA’s proportion was 0.03386%, a increase of 0.00039% from the previous year, which was 0.03347%.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB***

For the year ended June 30, 2025, SWMA's recognized OPEB expense of \$156,606. On June 30, 2025, SWMA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 113,095	\$ 383,263
Net difference between projected and actual earnings on Pension plan investments	5,403	-
Changes in proportion and differences between contributions and proportionate share of contributions	617,364	107,295
Difference between expected and actual experience	6,477	63,131
SWMA's contributions subsequent to the measurement date	48,410	-
<b>Total</b>	<b>\$ 790,749</b>	<b>\$ 553,689</b>

Deferred outflows of resources totaling \$48,410 represent SWMA's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b><i>Year ended June 30</i></b>	
2025	\$ 185,066
2026	143,805
2027	(111,091)
2028	(40,459)
2029	11,329
<b>Total</b>	<b>\$ 188,650</b>

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)***

**Actuarial Assumptions.** The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, using the following assumptions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected Payroll Increases	3.00% to 10.00% based on years of service, including inflation
Investment Rate of Return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care Cost Trend Rate	8% graded down to 4.50% over 14 years for Non-Medicare medical plan costs and 8.50% graded down to 4.50% over 12 years for Medicare medical plan costs Actual premium increase for the first year, then 8.25% graded down the 4.50% over 15 years.

**Rate of Return.** The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)***

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	1.6%
U.S. equity - large cap	6.9%
Non U.S. - emerging markets	8.7%
Non U.S. - developed equities	7.2%
Private equity	9.9%
Credit and structured finance	3.7%
Real estate	3.6%
Real return	3.2%
U.S. equity - small/mid cap	6.9%

**Discount Rate.** The discount rate used to measure the total OPEB liability is 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. The 7.00% discount rate, which includes the assumed inflation rate of 2.50% for PERA members, was used to calculate the net OPEB liability.

**Sensitivity of SWMA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of SWMA, as well as what SWMA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	Current 1% Increase (8.00%)
\$ 762,169	\$ 604,385	\$ 475,042

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)***

***Sensitivity of SWMA’s Proportionate Share of the Net OPEB Liability to Changes in the Health Cost Trend Rate.*** The following presents the net OPEB liability of SWMA, as well as what SWMA’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rate	1% Increase
\$ 467,062	\$ 604,385	\$ 957,046

***OPEB Plan Fiduciary Net Position.*** Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2024.

***Payable Changes in the Net OPEB Liability.*** At June 30, 2025, SWMA reported no outstanding contributions payable to NMRHCA.

**Note 8: RISK MANAGEMENT**

SWMA is involved in legal actions arising from the ordinary course of operations. With respect to these actions, SWMA’s counsel believes the outcomes will not have a material impact on SWMA’s financial statements. SWMA is covered under the same city policies and is subject to deductible and self-insured retentions for the following:

- general liabilities with a deductible of \$1.5 million for each occurrence
- properties (buildings) with a deductible of \$100,000 for each occurrence
- pollution legal liability with a deductible of \$50,000 for each occurrence
- auto, machinery, and equipment with a deductible of \$25,000 for each occurrence.

SWMA participates in the Santa Fe Health Fund and the Workers’ Compensation Fund which are self-insured programs administered by the City. SWMA makes pro rata payments to the City based on actuarial estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophic losses.

The Santa Fe Health Fund accounts for the self-insured program for employee health and major medical benefits. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$225,000 and aggregate coverage in cumulative claims in excess of 125% of expected claims.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 8: RISK MANAGEMENT (Continued)**

The Workers' Compensation Fund accounts for the self-insured program and for workers' compensation coverage. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$500,000 with a \$1,000,000 statutory limit. There was no reduction in amount of coverage for 2025.

**Note 9: FISCAL AGENT AGREEMENT**

In January 1996, SWMA entered into an agreement with the City to act in the capacity as fiscal agent for SWMA. Duties of the City include maintain fiscal records, establishment of a uniform system of accounts, receiving and recording cash deposits, providing accountability of all disbursements, recording accounts receivable, recording capital assets, maintain a general ledger, and preparing financial statements. The City also provides services to review bids, make bond payments, and maintains personnel and payroll records.

The agreement states that the City may be compensated for services provided by administrative staff. The City uses calculations in a manner similar to its method to allocate general fund services to its enterprise funds to determine these administrative costs. The administrative costs allocated to SWMA for the fiscal year ended June 30, 2025 were \$195,169.

**Note 10: COMMITMENTS AND CONTINGENCIES**

***Leases***

SWMA (lessee) entered into a lease agreement effective October 1, 2016, with the City of Santa Fe (lessor) to lease a certain premise of land approximately 24.07 acres located within the City of Santa Fe, New Mexico. The facility has been developed and is currently used as a transfer station and lessee will use this facility for the receipt of solid waste and conventional recyclables for transfer to the Caja del Rio Landfill or other facilities. The agreement with the City is for a term of eight years with an "optional additional terms" of six years each, contingent upon compliance with the lease agreement. Lessee shall pay \$266,000 as annual rent. SWMA is currently negotiating with the City of Santa Fe to renew the lease.

SMWA entered into an agreement effective May 19,2022, with a Contractor for the crushing and sales operation of previously quarried basalt rock at the Caja Del Rio Landfill. The agreement with the Contractor is for a term of ten years, terminating on May 19, 2032. The Contractor pays SWMA \$1.50 per ton of the crushed rock that is sold and removed from the landfill. As SWMA does not have mineral rights to the basalt rock, they have a royalty agreement with the Bureau of Land Management (BLM) in which \$0.75 per ton of crushed rock sold is paid by SWMA to BLM. Furthermore, the term of the BLM agreement is April 8, 2021 to April 8, 2026, or 450,000 tons, whichever comes first.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 10: COMMITMENTS AND CONTINGENCIES (Continued)**

The lease commitment was evaluated against the criteria of GASBS No. 87 and met applicable exclusions. As such, no right-of-use asset or relating liability was required to be reported.

*Construction in Progress*

An amount of \$105,718 of CIP that was reported in fiscal year 2024 for a low-profile truck scale at BURRT Transfer Station, was completed in fiscal year 2025. No additional Construction in Progress for cell development was performed in fiscal year 2025. Any cell development and construction costs for the future cells such as engineering plans and specs, bidding services, CQA services, subgrade preparation, liner installation, leachate collection system installation will be determined approximately two years before construction.

Although the liner systems will not be constructed for approximately 10 years from now (based on projected volumes and available air space), SWMA requested purchasing aggregate in fiscal year 2022. In August 2021, the Board approved the purchase of 183,146 tons of crushed aggregate (liner drainage layer material) for future liner construction projects (Cells 7-9) under the 2014-2022 Construction Agreement - Basalt Rock Crushing and Sales Operation for the Caja del Rio Landfill - with Del Hur Industries (Del Hur) of Port Angeles, WA, in the amount of \$915,732. The actual purchase was 174,300 tons for \$871,504.

An estimated 121,289 cubic yards of crushed aggregate was determined for the future liner systems. At the conversion factor of 1.51 tons per cubic yard, this equates to 183,146 tons. Per the Construction Agreement, the purchase price for crushed aggregate is \$5.00 per ton, which equates to \$915,732.

SWMA requested purchasing the aggregate at that time due to the following factors:

- The Construction Agreement with Del Hur expires in May 2022 and Del Hur has informed SWMA that the sale price of aggregate will increase to at least \$6.50 per ton upon renewal of the contract.
- The current stockpile of uncrushed basalt is projected to last another two to three years and it is unknown if Del Hur will continue to crush rock on SWMA property past that time.
- The current price for delivery of crushed aggregate from a different local source is estimated at \$23 per ton, or \$4,212,366. Per the National Highway Construction Cost Index, the cost for delivered aggregate is expected to increase approximately 6% per year to \$46 per ton at \$8,400,000 in 12 years.
- It will require 8,325 truckloads (22 cubic yards per load) to deliver the aggregate from a local source. These tractor-trailer loads would travel over county and SWMA maintained roads, thereby increasing traffic and road maintenance costs.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 11: SOLID WASTE CLOSURE AND POST-CLOSURE CARE**

State and federal laws and regulations (i.e., 20.9.2 – 20.9.10 NMAC, New Mexico Solid Waste Act and 40 CFR Part 258 - Subtitle D of RCRA) require SWMA to install an approved final cover system on its regional landfill site after it receives the final receipt of waste to minimize infiltration of liquid into the closed landfill, to minimize wind and water erosion to the cover system, and to control storm water run-off from the closed landfill. The laws and regulations also require SWMA to perform certain post-closure inspection and maintenance as well as monitoring functions at the closed landfill site for 30 years after closure. The closure and post-closure care costs are recognized throughout the estimated 20-year permit period of the landfill operation.

The following describes the cost estimate requirements for closure, post-closure care, and Phase I and II assessments as per 20.9.10 NMAC.

The closure cost estimate requires a detailed written estimate, in current dollars, showing the cost of hiring a third party to close the largest area of the landfill ever requiring a final closure at any time during the active life when the extent and manner of its operation would make closure the most expensive, as indicated by its final closure plan under 20.9.10.9 NMAC;

The post-closure cost estimate is based on a detailed written estimate, in current dollars, showing the most expensive costs of hiring a third party to conduct post-closure care for the landfill in compliance with the post-closure care plan under 20.9.10.10 NMAC; and

Both Phase I and Phase II assessments are based on written estimates, in current dollars, of the costs of hiring a third party to conduct activities in accordance with 20.9.10.11 NMAC.

As of June 30, 2025 the total cost estimate for the closure and post-closure care requirements as described above for the Caja del Rio Landfill is \$11,074,899. The estimate increased by \$267,892 from prior year due to using the June 30, 2024 estimates and adjusting for a 4.1% inflation (CPI). The estimates also adjust for operation and maintenance costs of the active landfill gas collection system, including installation of 13 active landfill gas wells in Cell 6B, and decommissioning the active landfill gas system and 41 gas wells, after the 15 year post-closure care.

SWMA, as an operator of a solid waste facility, is required to establish an allowable financial assurance mechanism for closure and post-closure care of a solid waste facility (i.e., landfills, transfer stations) as per 20.9.10.9 – 20.9.10.10 NMAC. Under 20.9.10.20 NMAC, as an allowable mechanism, SWMA created a local government reserve fund, via a resolution approved by SWMA's governing body, specifically for the use of closure and post-closure care funds within its existing financial accounting system. SWMA's reserve fund, as of June 30, 2025, has a total cash balance of \$9,340,920 for the closure and post-closure care costs for the landfill and transfer station. Of this amount, \$4,670,605 is reported as restricted balance (\$4,432,799 for the landfill and \$237,806 for the transfer station), and an additional \$4,670,315 is reported as internally restricted cash balance. The total cash balance of \$9,340,920 is less than the total cost estimate of \$11,074,899 required for the landfill.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 11: SOLID WASTE CLOSURE AND POST-CLOSURE CARE (Continued)**

The funding mechanism for annualized payments to the Closure/Post Closure fund is based on 20.9.10.14 NMAC, Formulas for Payments into Fund (CE-CV/Y).

For the purpose of financial reporting, SWMA is required to comply with GASB Statement No. 18 for the landfill. The estimated total current cost of closure and post-closure care is measured and recognized by the percentage of the landfill consumed (i.e., airspace measured in cubic yards) in a reporting period. As of June 30, 2025, the percentage of the landfill consumed is 40.03% as opposed to 38.61% for the prior year. The available airspace remaining as of June 30, 2025 is 13.1 million cubic yards. This resulted in a \$260,177 increase to landfill liability as of June 30, 2025. The accrued liability for the closure and post-closure costs of \$4,432,799 is reported as restricted cash balance in the reserve fund. The current entire disposal area of the landfill is 87.3 acres of which 87.3 acres received waste. No other conditions or factors were changed.

The estimated liability (i.e., closure cost) for the Buckman Road Recycling and Transfer Station (BuRRT) is \$237,806 as of June 30, 2025. The funding for the estimated liability is retained as restricted cash balance in the aforementioned reserve.

SWMA leases the transfer station from the City, and upon the expiration of the lease, SWMA is required to remove all the materials on site. The estimate includes the cost of hiring a third party to cleanup and dispose of all materials, end products, trash, and solid waste expected to be on hand. The estimate also includes the costs of an independent project manager and contract administrator. Costs related to post-closure care are not expected to be incurred. SWMA expects that future inflation cost will be paid from the internally designated cash balance and interest earnings on these balances. However, if these are inadequate or additional closure and post-closure care requirements are determined (e.g., due to changes in technology or applicable regulations), these costs may need to be covered by solid waste tipping fees.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Financial Statements**

**Note 12: RELATED PARTIES**

SWMA is economically dependent on six customers related to tipping fee and recycle revenue. These customers account for 66% of tipping fee and recycling revenue for the year ended June 30, 2025. These customers are City of Santa Fe, Waste Management of New Mexico, Capital Scrap Metal Inc., Santa Fe County, MCT Waste, LLC, and Santa Fe Waste Services.

	<b>Revenue Received</b>	<b>Percent</b>
City of Santa Fe	\$ 5,413,680	41%
Waste Management	875,387	7%
Capital Scrap Metal	862,314	7%
Santa Fe County	582,792	4%
MCT Waste, LLC	529,197	4%
Santa Fe Waste Service	421,707	3%
Other	4,530,469	34%
<b>Total</b>	<b>\$ 13,215,546</b>	<b>100%</b>



## **REQUIRED SUPPLEMENTARY INFORMATION**



**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Schedule of Employer's Proportionate Share of Net Pension Liability**  
**PERA Municipal General Division**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years\***

	June 30,			
Fiscal Year	2025	2024	2023	2022
Measurement Date	2024	2023	2022	2021
SWMA's proportion of the net pension liability	0.1791%	0.1756%	0.1951%	0.1933%
SWMA's proportionate share of the net pension liability	\$ 4,274,082	\$ 3,717,661	\$ 3,460,150	\$ 2,178,118
SWMA's covered payroll	2,385,582	1,942,143	1,827,867	1,752,337
SWMA's proportionate share of the net pension liability as a percentage of its covered payroll	179.16%	191.42%	189.30%	124.30%
Plan fiduciary net position as a percentage of the total pension liability	66.00%	67.26%	69.35%	77.25%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

June 30,					
2021 2020	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015
0.2002%	0.1913%	0.1892%	0.1896%	0.1880%	0.2097%
\$ 4,048,499	\$ 3,311,593	\$ 3,016,548	\$ 2,605,264	\$ 3,003,607	\$ 2,138,073
1,874,932	1,745,215	1,691,432	1,665,272	1,610,168	1,738,484
215.93%	189.75%	178.34%	156.45%	186.54%	122.98%
66.36%	70.52%	73.74%	73.74%	69.18%	76.99%

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Schedule of Employer Contributions**  
**PERA Municipal General Division**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contributions	\$ 267,039	\$ 233,787	\$ 190,330	\$ 179,131
Contributions in relation to the contractually required contribution	(267,039)	(233,787)	(190,330)	(179,131)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Company's covered payroll	\$ 2,350,685	\$ 2,385,582	\$ 1,942,143	\$ 1,827,867
Contributions as a percentage of covered payroll	11.30%	9.80%	9.80%	9.80%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 171,729	\$ 179,056	\$ 166,668	\$ 161,531	\$ 159,033	\$ 153,726
(171,729)	(179,056)	(166,668)	(161,531)	(159,033)	(153,726)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,752,337	\$ 1,874,932	\$ 1,745,215	\$ 1,691,432	\$ 1,665,272	\$ 1,610,168
9.80%	9.55%	9.55%	9.55%	9.55%	9.55%

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Schedule of Employer's Proportionate Share of the Net OPEB Liability of**  
**New Mexico Retiree Health Care Authority (NMRHCA) Plan**  
**Last 10 Fiscal Years\***

	June 30,		
Fiscal Year	2025	2024	2023
Measurement Date	2024	2023	2022
SWMA's proportion of the net OPEB liability	0.03386%	0.03347%	0.03718%
SWMA's proportionate share of the net OPEB liability	\$ 604,385	\$ 569,952	\$ 859,399
SWMA's covered payroll	2,156,350	1,916,800	1,990,550
SWMA's proportionate share of the net OPEB liability as a percentage of its covered payroll	28.03%	29.73%	43.17%
Plan fiduciary net position as a percentage of the total OPEB liability	46.99%	44.16%	33.33%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Solid Waste Management Agency will present information for those years for which information is available.

June 30,				
2022	2021	2020	2019	2018
2021	2020	2019	2018	2017
0.03784%	0.03826%	0.04535%	0.04244%	0.03327%
\$ 1,245,068	\$ 1,606,431	\$ 1,470,584	\$ 1,845,223	\$ 1,714,745
1,640,888	1,892,630	1,753,920	1,583,434	1,520,921
75.88%	84.88%	83.85%	116.53%	112.74%
25.39%	16.50%	18.92%	14.19%	11.34%

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Schedule of Employer Contributions**  
**New Mexico Retiree Health Care Authority (NMRHCA) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Contractually required contributions	\$ 48,410	\$ 43,127	\$ 38,336
Contributions in relation to the contractually required contribution	(48,410)	(43,127)	(38,336)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
SWMA's covered payroll	\$ 2,350,769	\$ 2,156,350	\$ 1,916,800
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Solid Waste Management Agency will present information for those years for which information is available.

<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 39,811	\$ 35,115	\$ 40,147	\$ 34,903	\$ 33,828	\$ 32,241
(39,811)	(35,115)	(40,147)	(34,903)	(33,828)	(32,241)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,990,550	\$ 1,640,888	\$ 1,892,630	\$ 1,753,920	\$ 1,583,434	\$ 1,520,921
2.00%	2.14%	2.12%	1.99%	2.14%	2.12%

THIS PAGE INTENTIONALLY LEFT BLANK.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Notes to Required Supplementary Information**

**Public Employees Retirement Association (PERA) Plan**

*Changes of benefit terms.* The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA ACFR available at <https://www.nmpera.org/financial-overview/>.

*Changes of assumptions.* The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2024 report is available at <https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>.

**Retiree Health Care Authority (RHCA) Plan**

*Changes of benefit terms.* The NMRHCA eligibility benefits changes in recent years are described in note 1 of the NMRHCA audit available at <http://nmrhca.org/financial-documents>.

*Changes of assumptions.* The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2023 report is available at <http://nmrhca.org/financial-documents>. See the notes to the financial statements beginning on page 12, which summarizes actuarial assumptions and methods effective with the June 30, 2023 valuation.

In the total OPEB liability measured as of June 30, 2024, changes in assumptions include adjustments resulting from an increase in the discount rate from 6.22% to 6.99%.

THIS PAGE INTENTIONALLY LEFT BLANK.



## SUPPLEMENTARY INFORMATION



THIS PAGE INTENTIONALLY LEFT BLANK.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Schedule of Revenues, Expenses and Change in Net Position**  
**Budget (GAAP Budgetary Basis) and Actual**

<i>For the year ended June 30, 2025</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
User fees	\$ 12,359,978	\$ 12,359,978	\$ 13,013,990	\$ 654,012
Recycle sales	125,793	125,793	122,955	(2,838)
Other sales	42,000	42,000	42,191	191
Other income	-	-	36,410	36,410
<b>Total revenues</b>	<b>12,527,771</b>	<b>12,527,771</b>	<b>13,215,546</b>	<b>687,775</b>
<b>Expenses</b>				
Personnel services	4,269,951	4,269,951	4,226,384	43,567
Contractual services	2,475,994	3,561,784	2,058,006	1,503,778
Supplies	815,475	815,475	541,281	274,194
Repairs and maintenance	735,000	895,892	510,346	385,546
Rental expenses	276,200	276,200	266,971	9,229
Utilities	152,000	148,000	112,781	35,219
Insurance	222,974	222,974	222,974	-
Office and other expenses	163,250	167,250	120,543	46,707
Travel and training	58,000	58,000	11,217	46,783
Gross receipts tax	626,000	626,000	619,718	6,282
Reimbursable share of sales	21,000	21,000	20,409	591
Capital outlay	32,000	1,883,775	12,986	1,870,789
<b>Total expenses</b>	<b>9,847,844</b>	<b>12,946,301</b>	<b>8,723,616</b>	<b>4,222,685</b>
<b>Non-operating revenues (expenses)</b>				
Investment income	285,310	285,310	1,035,324	750,014
Loss on disposition of capital assets	-	-	(12,091)	(12,091)
Unrealized gains/(losses)	-	-	9,339	9,339
<b>Total non operating revenues (expenses)</b>	<b>285,310</b>	<b>285,310</b>	<b>1,032,572</b>	<b>747,262</b>
<b>Excess of revenues over expenses</b>	<b>\$ 2,965,237</b>	<b>\$ (133,220)</b>	<b>\$ 5,524,502</b>	<b>\$ 5,657,722</b>
<b>Adjustments</b>				
Depreciation and amortization			\$ (2,166,922)	
Additions to landfill liability			(266,609)	
Change in net position			3,090,971	
Net position, beginning of the year			25,864,751	
<b>Net position, end of year</b>			<b>\$ 28,955,722</b>	

THIS PAGE INTENTIONALLY LEFT BLANK.



## **REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The Board of Directors of  
Santa Fe Solid Waste Management Agency  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Santa Fe Solid Waste Management Agency (“SWMA”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise SWMA’s basic financial statements and have issued our report thereon dated December 15, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SWMA’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWMA’s internal control. Accordingly, we do not express an opinion on the effectiveness of SWMA’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SWMA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, L.L.C

Albuquerque, NM

December 15, 2025

**State of New Mexico  
Santa Fe Solid Waste Management Agency  
Schedule of Findings and Responses  
June 30, 2025**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

- |  |            |
|--|------------|
| 1. Type of auditor's report issued   | Unmodified |
| 2. Internal control over financial reporting                                     |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

**SECTION II: FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS**

None noted.

**SECTION IV: PRIOR YEAR AUDIT FINDINGS**

None noted.

**State of New Mexico**  
**Santa Fe Solid Waste Management Agency**  
**Other Disclosures**  
**June 30, 2025**

**EXIT CONFERENCE**

An exit conference was held on December 4, 2025. In attendance were the following:

**Representing Santa Fe Solid Waste Management Agency:**

Lee Garcia	Chairman, City Councilor
Randall Kippenbrock, PE	Executive Director
Thomasina Chavez	Accountant

**Representing Carr, Riggs & Ingram, LLC:**

Eric Spurlin, CPA, CITP	Partner
Angelica Trujillo, CPA	Manager
Elizabeth Aguilar	In-Charge

**AUDITOR PREPARED FINANCIAL STATEMENTS**

Carr, Riggs & Ingram, L.L.C prepared the GAAP-basis financial statements and footnotes of SWMA from the original books and records provided to them by the management of SWMA. The responsibility for the financial statements remains with SWMA.